

The complaint

Mrs N complains that Amtrust Europe Limited gave poor service in connection with a home emergency insurance policy.

What happened

The Financial Ombudsman Service deals with a consumer complaint against one insurance company or other regulated financial firm at a time. In our final decision we name that firm, but we don't identify any other party.

We are bound by the Financial Conduct Authority dispute resolution rules (DISP). One of those rules is that a consumer must complain to the firm and wait for a final response or for eight weeks (whichever is the sooner) before bringing a complaint to us.

On 9 December 2019, Mrs N bought boiler insurance cover under which Amtrust was responsible for dealing with claims. Where I refer to Amtrust, I include engineers and others insofar as I hold Amtrust responsible for their actions.

On Friday 5 June 2020, Mrs N's boiler wasn't working so she called Amtrust for help. By an email dated 13 June, Mrs N complained to Amtrust. She said that after several days without central heating and hot water, she had engaged her own engineer to install a new boiler at a cost of about £2,300.00.

In a final response letter dated 19 June 2020, Amtrust accepted the complaint and said it was sending Mrs N £250.00. But it didn't send a cheque for that amount until 28 July 2020, when Mrs N brought her complaint to us.

Our investigator didn't recommend that the complaint should be upheld. She thought that there had been a breakdown of communication and this led to Mr and Mrs N being without hot water and heating for longer than they needed to be. This had caused stress while they weren't informed of what was happening. However, the investigator thought that the compensation offered was fair to reflect the impact this had had.

Mrs N disagreed with the investigator's opinion. She asked for an ombudsman to review the complaint. She says, in summary, that:

- The gas safety engineer came on 30 December 2019 to check the boiler. He had a strong smell of alcohol on him and was too hung-over to drive. He never once asked how old the boiler was.
- The £250.00 compensation is nothing. She didn't use the policy for about 6 months of the year.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

From a welcome letter, I see that Mrs N entered into two agreements on 9 December 2019. One was an insurance policy under which Amtrust was responsible for dealing with claims. The cost of that policy was £157.20. The other was an agreement under which a home services company was responsible for inspection and servicing. The cost of that was £88.20.

The first inspection took place on 30 December 2019. I haven't seen enough evidence to show that Mrs N complained about that to the home services company or Amtrust before complaining to us in mid-December 2020. So I can't comment further on that complaint.

The policy covered most repairs. It contained provisions for replacement of a boiler that was less than seven years old. The policy also contained a term as follows:

"If spare parts are available but, in our opinion, your System is considered to be Beyond Economic Repair then we will offer you a contribution, at our discretion, towards a new boiler. This offer is only valid for 30 days from the date of our Engineer visit. We will either provide you with a discount in advance, or a contribution once you have provided proof (i.e. receipt/invoice) of a new boiler being installed within 60 days from when your System was deemed Beyond Economic Repair by our Engineer. We will let you know which one will be applicable at our Engineer visit. We must approve any contribution in advance of work being undertaken."

That term didn't specify the amount of any contribution. And It used the words "*at our discretion*". So I don't consider that it promised any specified contribution. Also, the term provided that Amtrust had to approve any contribution before work was done to install a new boiler.

I find it likely that Mrs N would've told us if her boiler was under seven years old. So I find that it wasn't.

Mrs N already had a problem when she contacted Amtrust – that's why she contacted Amtrust. Depending on what was wrong with the boiler, it was always going to take some time to obtain parts to repair the boiler or to take a decision to get a new one installed. And in the meantime Mr and Mrs N were going to be without a working boiler.

I keep in mind that it was summer time. I also keep in mind that there was a lockdown that wasn't eased until early July 2020.

In response to the call on Friday 5 June Amtrust visited that day. On the following Monday 8 June 2020, Amtrust arranged for the manufacturer of the boiler to visit on its behalf. The manufacturer identified a list of replacement parts the boiler needed. I haven't seen enough evidence to show that the manufacturer communicated that to Mrs N or to Amtrust.

So Mr and Mrs N were left without central heating and hot water for longer than necessary – and lockdown prevented them from leaving home. They were also left wondering what Amtrust was doing.

So I can quite see why Mr and Mrs N decided to involve their own engineer. From the fact that it was replaced, I find that their engineer must've considered that the boiler was beyond repair – or at least that Mr and Mrs N needed a new one.

Mr and Mrs N had already had the boiler replaced when she complained on 13 June 2020. She later told us that she'd been without hot water for five days. So the new boiler must've been installed on about 10 June 2020.

I haven't seen an invoice for this – or any evidence that Amtrust approved any contribution before the work was undertaken. From what it has said, Amtrust belatedly said the old boiler had been beyond economic repair. Keeping in mind what I've said about the policy term quoted above, I don't consider that Amtrust was obliged to make any contribution towards the cost of the new boiler.

I hold Amtrust responsible for causing some unnecessary delay and uncertainty. I don't doubt that this caused Mrs N extra inconvenience and distress at an already difficult time.

Amtrust paid Mrs N £250.00 and I've thought about what I would've awarded if Amtrust hadn't made that payment. Overall, I consider that £250.00 was at least as much as I would otherwise have found fair and reasonable for the impact on Mrs N. I don't find it fair and reasonable to direct Amtrust to pay Mrs N any more or to do anything further in response to this complaint.

My final decision

For the reasons I've explained, my final decision is that I don't uphold this complaint. I don't direct Amtrust Europe Limited to do any more in response to this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs N to accept or reject my decision before 10 March 2021.

Christopher Gilbert

Ombudsman